

Innovation Campus

Tax Credits

Sunset Report



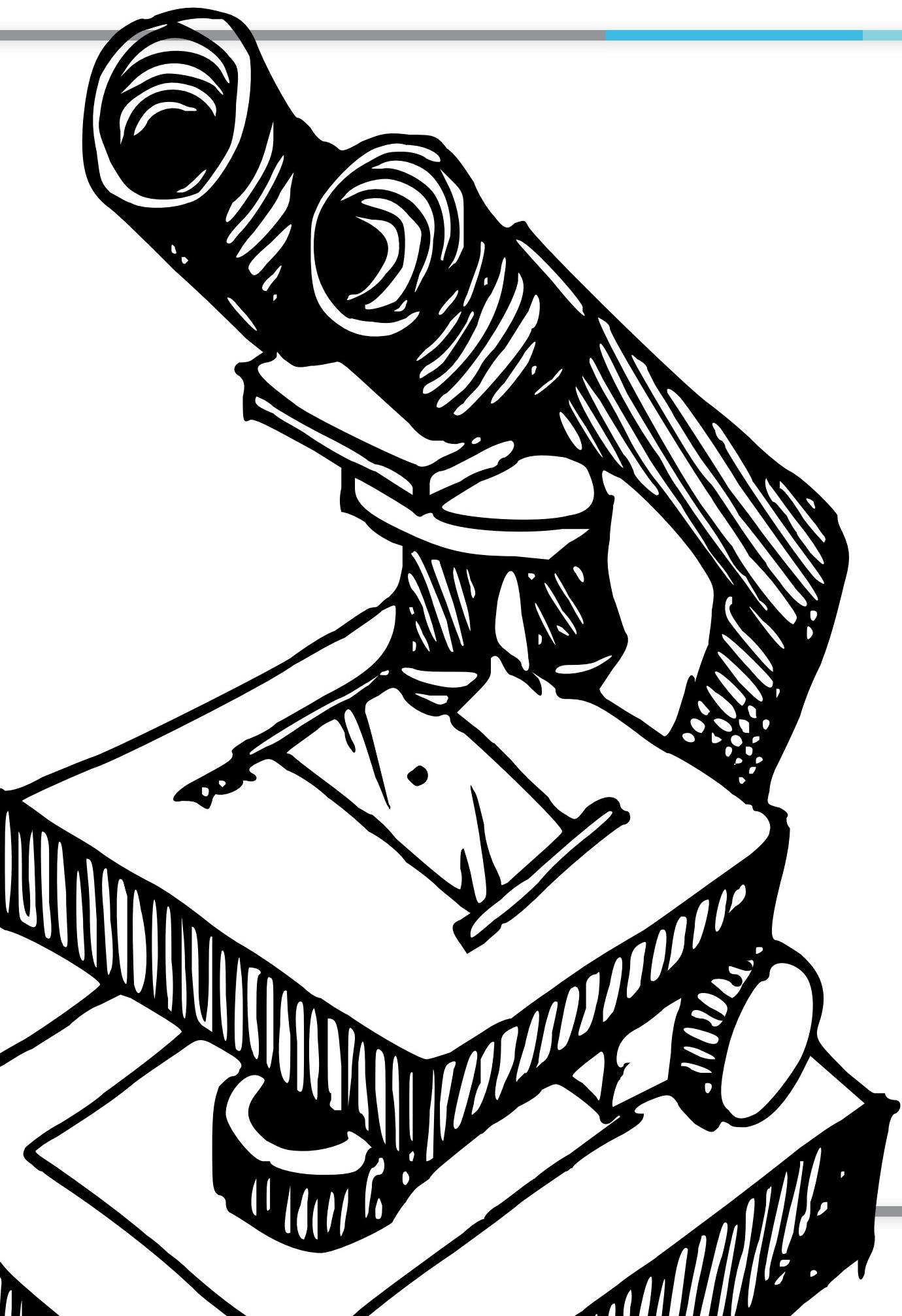
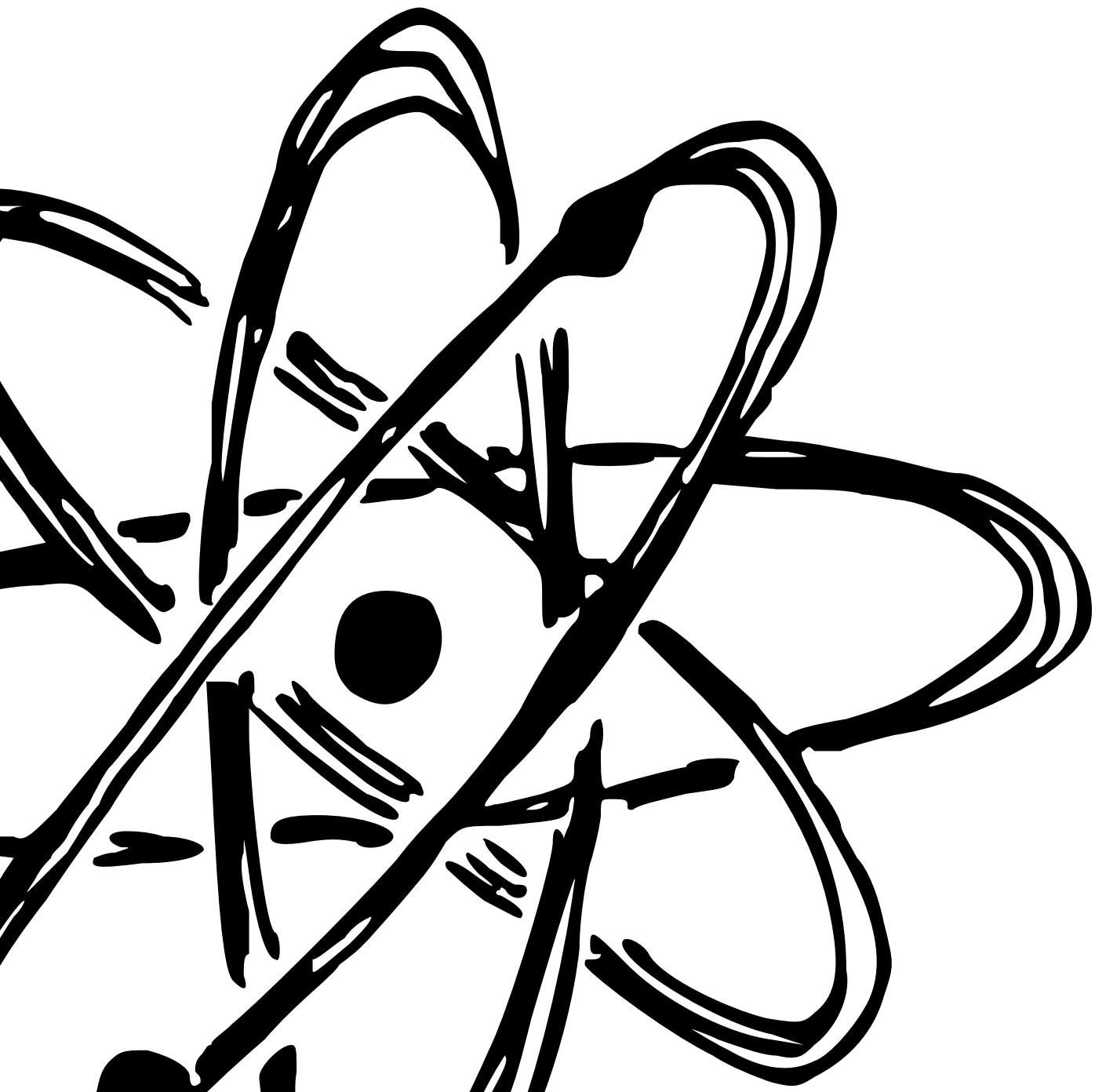


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Tax Credit Analysis (Form 14) 6



Innovation Tax Credits

Per Section 620.2600.7, RSMo, the Innovation Campus Tax Credit is scheduled to sunset in August of 2020. In accordance with the requirements of Section 23.256, RSMo, the Department of Economic Development has prepared the following information regarding the criteria to be considered by the Joint Committee on Legislative Research.

1. The efficiency with which the program operates.

The Innovation Tax Credit operates on a calendar year with no cap. The following tax credits were authorized for the last five calendar years:

Calendar Year	Amount Authorized
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

2. An identification of the objectives intended for the program and the problem or need that the program was intended to address, the extent to which the objectives have been achieved, and any activities of the agency in addition to those granted by statute and the authority for such activities.

The objective of the Innovation Campus Tax Credit is to provide assistance to educational partnerships to advance learning in the areas of science, technology, engineering, and mathematics, while reducing the time and cost required for Missouri students to obtain a college degree in those fields of study.

Since inception, the Innovation Campus Tax Credit has not received or authorized any projects.

3. An assessment of less restrictive or alternative methods of performing any rule or regulation that the agency performs that could adequately protect the public.

The Innovation Campus Tax Credit Program has minimal administrative rules or regulations (4 CSR 85-11.010-11.020).

4. The extent to which the jurisdiction of the agency and the programs administered by the agency overlap or duplicate those of other agencies and the extent to which the programs administered by the agency can be consolidated with the programs of other state agencies.

The Department of Higher Education certifies entities as Innovation Campuses and administers a fund under 178.1100 RSMo.

5. Whether the agency has recommended to the general assembly statutory changes calculated to be of benefit to the public rather than to an occupation, business, or institution that the agency regulates.

The Department has not recommended any changes to the general assembly.

6. The promptness and effectiveness with which the agency disposes of complaints concerning persons affected by the program.

The Innovation Campus Tax Credit Program has no formal complaint process. However, should a complaint be made, the Department would informally, promptly address concerns, meet with complainants, or take other appropriate measures to resolve the issue.

7. The extent to which the agency has encouraged participation by the public in making rules and decisions as opposed to participation solely by those it regulates and the extent to which the public participation has resulted in rules compatible with the objectives of the program,

The rules have been promulgated in accordance with the statute governing the creation of rules, which requires public notice.

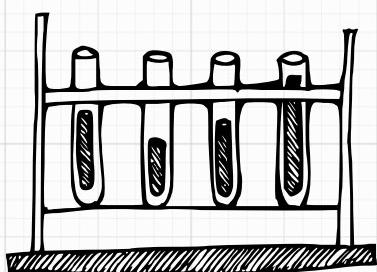
8. The extent to which the agency has complied with applicable requirements of:

- a) An agency of the United States or this state regarding equality of employment opportunity and the rights and privacy of individuals; and

The Department of Economic Development is an Equal Opportunity Employer and follows the employment requirements set forth in the Missouri Revised Statutes, the Missouri Code of State Regulations and Executive Order 10-24. Additionally, the Department enforces its own Harassment and Discrimination Policy, which includes opportunities for employees to utilize its harassment and discrimination complaint process. To ensure individual privacy rights, the Department enforces its own Personnel Files Policy, stating that the Department collects only necessary information employees and safeguards that information from improper disclosure.

- b) State law and applicable rules of any state agency regarding purchasing goals and programs for historically underutilized businesses.

The Department of Economic Development follows all purchasing requirements as outlined in the Missouri Revised Statutes, the Missouri Code of State Regulations and Executive Order 10-24.



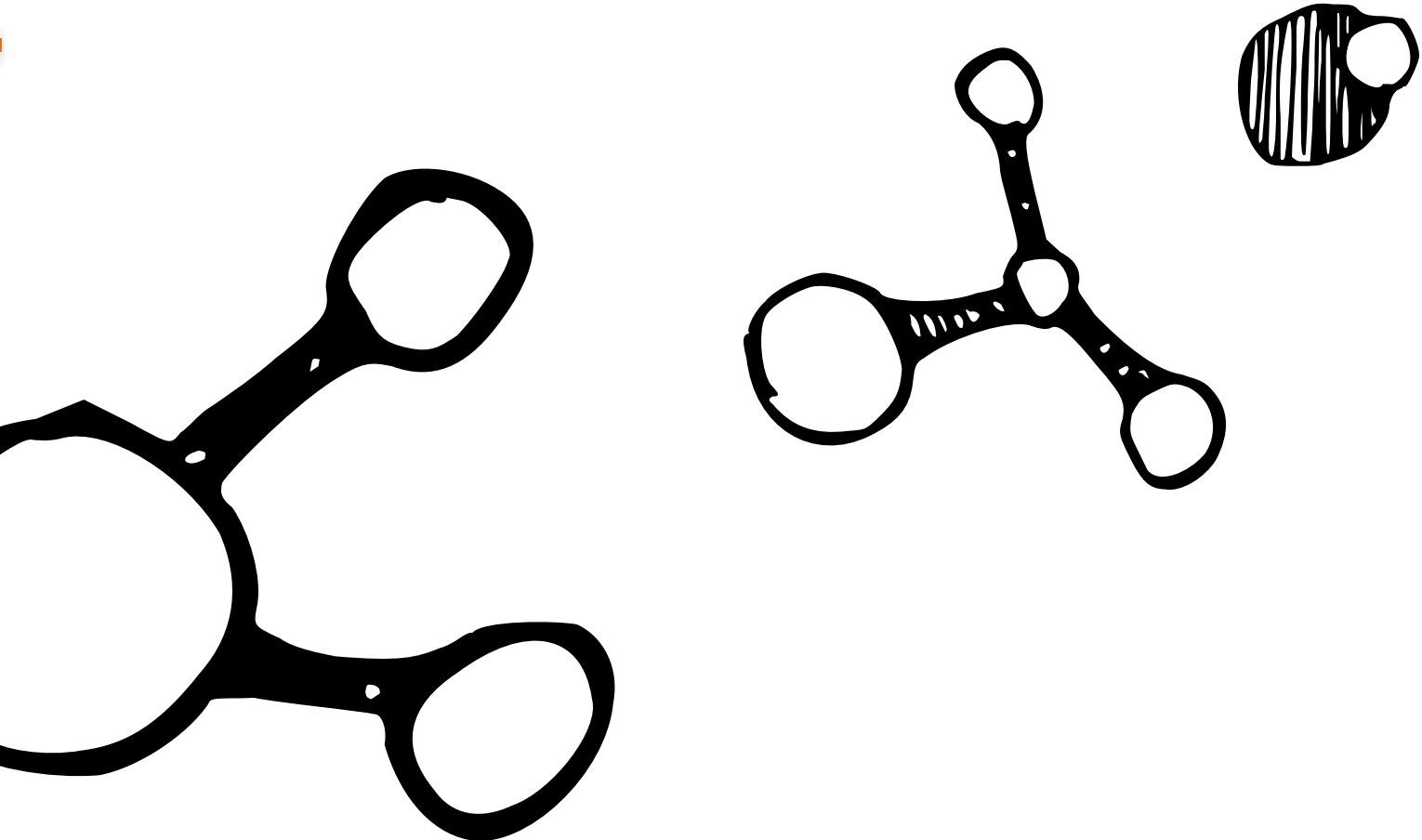


9. The extent to which changes are necessary in the enabling statutes of the program so that the agency can adequately comply with the criteria established in this section.

The Department is able to adequately comply with the criteria established in this section.

10. The extent to which the agency issues and enforces rules relating to potential conflicts of interest of its employees.

The Department enforces the conflict of interest and lobbying regulations set forth in Sections 105.450 through 105.498, RSMo, with respect to its employees. Additionally, the Department enforces its own Nepotism Policy, which prevents potential conflicts of interest stemming from favoritism.



11. The extent to which the agency complies with chapter 610 and follows records management practices that enable the agency to respond efficiently to requests for public information.

The Department retains all records according to the Agency Records Disposition Schedule provided by the Missouri Secretary of State and its own agency-specific records retention schedules, available to employees through the DED Intranet. Additionally, the Department maintains its own Sunshine Law Policy, to guide responses to requests for records.

12. The effect of federal intervention or loss of federal funds if the program is sunset.

There will be no loss of federal funds if the program is sunset.

TAX CREDIT ANALYSIS																								
Program Name: Innovation Campus Tax Credit Program																								
Department: Economic Development	Contact Name & No.: Brenda Horstman 573-751-3713			Date: October 2018																				
Program Category: Community Development	Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____																							
Statutory Authority: 620.2600	Applicable Taxes:																							
Program Description and Eligibility Requirements: Provide assistance to educational partnerships to advance learning in the areas of science, technology, engineering, and mathematics, while reducing the time and cost required for Missouri students to obtain a college degree in those fields of study. A 50% tax credit will be issued to an eligible taxpayer who makes a qualified contribution to an eligible Innovation Campus Program.																								
Explanation of How Award is Computed: Entitlement <input checked="" type="checkbox"/> Discretionary _____ A tax credit equal to 50% of the value of contributions will be issued to eligible donors and may be used to offset a contributor's income tax liability. The credit is claimed when the donor files their Missouri tax return. The approved Innovation Campus partnership receives 50% of the eligible contribution and forwards 50% of the contribution to the state general revenue fund.																								
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None <input checked="" type="checkbox"/>																								
Explanation of cap:																								
Explanation of Expiration of Authority: This program sunsets August 28, 2020 unless reauthorized by the Missouri General Assembly.																								
Specific Provisions: (if applicable) Carry forward <u>4</u> years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____																								
Comments on Specific Provisions:																								
	FY 2016 ACTUAL	FY 2017 ACTUAL	FY 2018 ACTUAL	FY 2019 (year to date)	FY 2019 (Full Year)	FY 2020 (Budget Year)																		
Certificates Issued (#)	0	0	0	0	0	0																		
Projects (#)	0	0	0	0	0	0																		
Amount Authorized	\$0	\$0	\$0	\$0	\$0	\$0																		
Amount Issued	\$0	\$0	\$0	\$0	\$0	\$0																		
Amount Redeemed	\$0	\$0	\$0	\$0	\$0	\$0																		
FY 2018 EST. Amount Outstanding	\$0	FY 2018 EST. Amount Authorized but Unissued			\$0																			
HISTORICAL AND PROJECTED INFORMATION																								
<p>The chart displays three data series over five fiscal years. The Y-axis represents monetary values from \$0 to \$1. The X-axis lists the fiscal years from 2016 to 2020. The legend indicates the following color coding: dark red for FY 2016, light red for FY 2017, light blue for FY 2018, pink for FY 2019, and light green for FY 2020. All three series show a value of \$0 for each year.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Amount Authorized</th> <th>Amount Issued</th> <th>Amount Redeemed</th> </tr> </thead> <tbody> <tr><td>FY 2016</td><td>\$0</td><td>\$0</td><td>\$0</td></tr> <tr><td>FY 2017</td><td>\$0</td><td>\$0</td><td>\$0</td></tr> <tr><td>FY 2018</td><td>\$0</td><td>\$0</td><td>\$0</td></tr> <tr><td>FY 2019</td><td>\$0</td><td>\$0</td><td>\$0</td></tr> <tr><td>FY 2020</td><td>\$0</td><td>\$0</td><td>\$0</td></tr> </tbody> </table>	Year	Amount Authorized	Amount Issued	Amount Redeemed	FY 2016	\$0	\$0	\$0	FY 2017	\$0	\$0	\$0	FY 2018	\$0	\$0	\$0	FY 2019	\$0	\$0	\$0	FY 2020	\$0	\$0	\$0
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FY 2020	\$0	\$0	\$0																					
Comments on Historical and Projected Information:																								

BENEFIT: COST ANALYSIS (includes only state revenue impacts)																					
	FY 2018 ACTIVITY	Other Fiscal Period (indicated time period)	Derivation of Benefits:																		
BENEFITS			No new authorizations in FY18.																		
Direct Fiscal Benefits																					
Indirect Fiscal Benefits																					
Total																					
COSTS																					
Direct Fiscal Costs																					
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Total																					
BENEFIT: COST																					
Other Benefits:																					
PERFORMANCE MEASURE(S)																					
Number of Innovation Campuses Supported <table border="1"> <caption>Data for Number of Innovation Campuses Supported</caption> <thead> <tr> <th>Fiscal Year</th> <th>Estimated Value</th> <th>Actual Value</th> </tr> </thead> <tbody> <tr> <td>FY 2016</td> <td>0</td> <td>0</td> </tr> <tr> <td>FY 2017</td> <td>0</td> <td>0</td> </tr> <tr> <td>FY 2018</td> <td>0</td> <td>0</td> </tr> <tr> <td>FY 2019</td> <td>0</td> <td>0</td> </tr> <tr> <td>FY 2020</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Fiscal Year	Estimated Value	Actual Value	FY 2016	0	0	FY 2017	0	0	FY 2018	0	0	FY 2019	0	0	FY 2020	0	0
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FY 2016	0	0																			
FY 2017	0	0																			
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FY 2020	0	0																			
Comments on Performance Measure:																					

